



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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January 15, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
500 West Temple Street  
383 Kenneth Hahn Hall of Administration  
Los Angeles, CA 90012

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF THE IBM MASTER  
SERVICES AGREEMENT WORK ORDER TO SUPPORT IMPLEMENTATION OF  
THE DEPARTMENT ENTERPRISE PORTFOLIO MANAGEMENT METHODOLOGY  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE [x]**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chairman to delegate to the Chief Information Officer the authority to execute the proposed Work Order with the International Business Machines Corporation (IBM) Master Services Agreement (Agreement) for the Enterprise Portfolio Management Project. The Work Order will be effective upon execution for a period not to exceed 24 weeks, with a maximum obligation of \$595,479.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of this recommendation will assist the Department of Health Services (DHS) to implement an "industry best practices" solution for managing the Department's IT project portfolio. This will provide visibility of the viability of all projects in DHS, enable management to view project status online, and make intelligent decisions regarding the continuation or termination of projects. This project will result in cataloging projects in the project portfolio across the department to avoid duplication of effort, and to consolidate projects to save time, resources, and funding. Approval by your Board is

required for execution of this work order because the amount of \$595,479 exceeds the Chief Information Officer's delegated authority threshold of \$300,000 for such work orders.

DHS consistently has an extensive number of projects to complete often in compressed timeframes. However, DHS has had difficulty in hiring new staff and does not have sufficient experienced staff to implement an Enterprise Portfolio Management function. Consequently, the organization is unable at this time to provide resources to implement methods and standards or the proposed automated solution, IBM's Rational Portfolio Manager (RPM) tool, without assistance from IBM.

This project will enhance the ability of project managers to successfully manage and complete projects, as well as improve management's ability to share project resources within the Department. Senior management will have the ability to access the status of all projects to determine their viability, and then make highly informed decisions whether to continue projects or terminate them.

#### **Implementation of Strategic Plan Goals**

The recommended action is consistent with and supports the County Strategic Plan Goals for Service Excellence (Goal 1, Strategy 2: Implement programs to improve the efficiency, quality and responsiveness of County services to all residents) and Organizational Effectiveness (Goal 3, Strategy 6: Complete the implementation of one or more standard technology components for facilitating electronic information-sharing between County departments to support the County Strategic Plan and Departmental missions).

#### **FISCAL IMPACT/FINANCING**

The agreement in the amount of \$595,479 is for the technical services that will provide the implementation, customization, and training for the methods, standards and processes of the DHS Enterprise Project Management Office. Funding is included in the Fiscal Year 07-08 Final Budget.

#### **FACTS AND PROVISIONAL LEGAL REQUIREMENTS**

On September 2006, the Board approved Master Services Agreement No. 75869 with IBM for the acquisition of professional consulting and support services. The Agreement is effective through July 31, 2009. The Agreement, managed by the County Chief Information Office allows the department to quickly and efficiently access valuable IBM technical resources reliant on IBM technologies. The Board delegated authority to the

Honorable Board of Supervisors  
January 15, 2008  
Page 3

Chief Information Officer to execute Work Orders having a maximum sum of \$300,000 or less. Work Orders in excess of \$300,000 require Board approval.

IBM was initially engaged to provide a comprehensive assessment of the current status of the DHS Health Services Administration (HSA) – Information Technology (IT) project management capability. The current proposed Work Order will implement some of the recommendations from the assessment by IBM. DHS chose IBM for these activities because they have superior and in-depth experience with automated tools and methodologies for Enterprise Project Management Offices, and because they have other tools already installed in HSA-IT that will interface with the tool to be implemented in this project. IBM Consulting Services is uniquely qualified for the project because of their broad expertise and experience implementing and customizing their RPM software.

Attachment A provides additional information.

Attachment B provides the Chief Information Officer's concurrence with the Department's recommendation.

### **CONTRACTING PROCESS**

The Work Order for consulting services for the Enterprise Portfolio Management project will be procured using the Board-approved IBM Master Service Agreement.

DHS HSA-IT (formerly Information Resource Management), Enterprise Project Management Office, Portfolio Management Section, is responsible for the development and implementation of an enterprise-wide methodology and tools to manage the methodology and effectively track the viability and status of projects Departmentwide. This is a continuation of a project that started on March 2007 with an assessment of the Department's methodology and capability for managing the portfolio of projects. The cost of the first part of the project, the Assessment, was \$92,736. This proposed portion of the project will implement the recommendations generated from the assessment. The final piece of the project will not use the IBM Master Services Agreement, but will utilize the County's Information Technology Support Services Master Agreement (ITSSMA) to implement the RPM methodology in DHS facilities.

The RPM project will establish the technical infrastructure, standards, and methods for project oversight and management, and will culminate with the implementation of a Departmentwide standard. This portion of the project will include implementation within the DHS IT organization, and HSA-IT. The subsequent implementation of these

methodologies in the remaining Department facilities can be performed by other vendors and/or County staff utilizing standards established in this portion of the project.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Enterprise Portfolio Management project will improve access to information about new and ongoing projects that will allow management to make informed decisions regarding the resourcing, financials, and abilities of project managers. Facility Chief Information Officers, senior management, and project managers will be able to influence the successful outcome of projects because of the information obtained from the implementation of the methods and standards, and the RPM product.

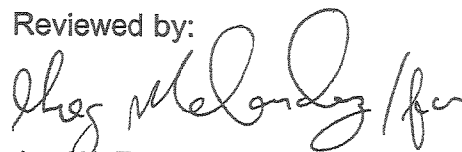
**CONCLUSION**

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

  
WILLIAM T FUJIOKA  
Chief Executive Officer

Reviewed by:

  
Jon W. Fullinwider  
Chief Information Officer

WTF:SRH  
SAS:LT:bjs

Attachments (3)

c: County Counsel  
Director and Chief Medical Officer, Department of Health Services  
Chief Information Officer

**SUMMARY OF AGREEMENT**1. **TYPE OF SERVICE:**

IBM Corporation will provide professional services through the County CIO's Master Services Agreement Work Order to implement Enterprise Project Management Office (EPMO) methods and processes to manage HSA – IT. The primary business objective is to establish an EPMO to manage the following activities:

1. Portfolio and Project Management - Reviewing project and portfolio status, reporting, metrics, resourcing and project health. One of the key objectives in Portfolio and Project Management is to eliminate duplicate efforts on projects in the hospitals.
2. Methods and Standards - Defining project management methodology throughout the life cycle from generating a business case, capturing business requirements, project execution, deployment and post deployment evaluation.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

IBM  
Deborah A. Lis  
600 Anton Boulevard  
Costa Mesa, CA. 92626  
Telephone: 714 438-5198  
Mobile 949 836-1720  
Electronic mail: [deblis@us.ibm.com](mailto:deblis@us.ibm.com)

3. **TERM:**

Effective upon the date of Board of Supervisors' approval through project completion for this Work Order not to exceed 24 weeks.

4. **FINANCIAL INFORMATION:**

This Work Order is for \$595,479. Funding is included in the Health Services Administration's Fiscal Year 2007-08 Final Budget.

5. **PRIMARY GEOGRAPHIC AREA TO BE SERVED:**

All Districts

6. **DESIGNATED ACCOUNTABLE FOR PROGRAM EVALUATION:**

Graham W. Kneale, Project Director, Acting Chief, Enterprise Project Management Office

7. **APPROVALS:**

Program Director:	Graham W. Kneale
Contracts and Grants:	Cara O'Neill, Chief
County Counsel (approve as to form):	N/A

## CIO ANALYSIS

**DEPARTMENT OF HEALTH SERVICES (DHS) REQUEST FOR APPROVAL TO ISSUE A  
WORK ORDER UNDER THE IBM MASTER SERVICES AGREEMENT (IBM-MSA) FOR  
ASSISTANCE WITH THE IMPLEMENTATION OF AN ENTERPRISE PORTFOLIO  
MANAGEMENT TOOL AND METHODOLOGY**

**CIO RECOMMENDATION:**    ☒ **APPROVE**                      ☐ **APPROVE WITH MODIFICATION**  
    ☐ **DISAPPROVE**

**Contract Type:**

☐ **New Contract**                      ☐ **Contract Amendment**                      ☐ **Contract Extension**  
☐ **Sole Source Contract**                      ☐ **Hardware Acquisition**                      ☒ **Other – Master  
Services Agreement  
Work Order  
exceeding \$300,000**

**New/Revised Contract Term:**    **Base Term: Fixed-Price**                      **# of Option Yrs: None**  
    **work order with an**  
    **unspecified term but**  
    **expected to last**  
    **approximately 6 months**

**Contract Components:**

☐ **Software**                      ☐ **Hardware**                      ☐ **Telecommunications**  
☒ **Professional Services**

**Project Executive Sponsor:** Bruce A. Chernof, M.D., Director

**Budget Information :**

Y-T-D Contract Expenditures	\$ 92,736 (Phase 1 – Assessment)
Requested Contract Amount	\$595,479 (Phase 2)
Aggregate Contract Amount	\$688,215

**Project Background:**

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

**Strategic Alignment:**

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT standards?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

**Project/Contract Description:**

The Department of Health Services (DHS) is in the process of establishing a formal project management methodology using proven project management tools that will be utilized across their entire enterprise. They have chosen to build that methodology around IBM's Rational Portfolio Manager (RPM) tool. This Work Order, which will be executed under the existing Master Services Agreement the County has with IBM, will allow DHS to engage IBM to assist them further with accomplishing this objective.

This project will establish the technical infrastructure, standards, and methods for project oversight and management, and will culminate with the implementation of a department-wide project management methodology standard following the successful completion of pilot projects that will be conducted at the Health Services Administration (HSA) Information Technology Division and at two (2) DHS hospitals. Since the aggregate cost of this engagement with IBM under the existing IBM Master Services Agreement exceeds \$300,000, it requires Board approval.

**Background:**

On September 5, 2006, the Board approved sole source Master Services Agreement No. 75869 with IBM (IBM-MSA) for the acquisition of professional consulting and support services. The Agreement allows County departments to procure valuable IBM technical resources where IBM products and technologies have been acquired and are being employed.

DHS' Enterprise Project Management Office, Portfolio Management Section, has been tasked with the development and implementation of an enterprise-wide methodology and the necessary tools to manage that methodology and to effectively track the viability and status of all DHS projects department-wide. Because of their broad expertise and experience implementing and customizing the IBM RPM software product, IBM Consulting Services was initially engaged under the IBM-MSA to conduct an assessment of the department's existing project management methodology and to make recommendations relative to the management of all projects using the RPM tool. The cost of the first phase of the project (Phase 1 – the Assessment) was \$92,736.

This next phase of the project (Phase 2) will effectively put the information acquired and recommendations generated from Phase 1 into action. This will allow DHS, through implementations at DHS-Health Services Administration and pilot projects at both Rancho Los Amigos Rehabilitation Center and LAC+USC hospitals, to fine-tune the methodology, using the knowledge and training they will receive from IBM under this engagement. Thereafter, a final phase of the project will be launched to deploy RPM and implement the new methodology in the remaining DHS facilities. DHS intends to open that final phase to other consulting companies under the County's Information Technology Support Services Master Agreement (ITSSMA) rather than engaging IBM directly under the existing IBM Master Services Agreement, as the level of specific expertise needed for that phase will be greatly reduced through the work completed and knowledge acquired by DHS in Phases 1 and 2.

#### **Project Justification/Benefits:**

Approval of this recommendation will assist DHS' Enterprise Project Management Office (EPMO) with implementing an "industry best practices" solution for managing their entire portfolio of department projects. This solution will provide visibility of all projects operating within DHS, enable DHS management to readily view project status online and to make better-informed decisions regarding the continuation or, if necessary, the termination of department projects.

DHS consistently has an extensive number of highly complex and costly projects to complete, often in compressed timeframes, and does not have sufficient experienced staff to implement a critically needed Enterprise Portfolio Management approach and methodology. Consequently, they have determined that they are unable to provide resources to implement effective methods and standards or the automated solution they have selected and procured, RPM, without assistance from IBM.

The implementation of a structured Project Management methodology utilizing RPM, once fully deployed and implemented, will greatly enhance DHS project managers' ability to more successfully manage and complete projects, as well as improve their ability to share resources across a variety of projects. Further, it will provide DHS' senior management with the capability of assessing the status of all departmental projects and allow them to make well-informed decisions regarding the continuation of projects based on specifically defined and detailed project goals and milestones as well as the containment of project cost and time projection overruns.

#### **Project Metrics:**

This project has well-defined deliverables as reflected in the agreed-upon Statement of Services required under the provisions of the IBM-MSA. DHS will be closely managing IBM's work and progress against expectations under this engagement and the County Chief Information Office (CIO) will be monitoring the progress being made by way of regular status reports and meetings, if necessary.



The success of this specific project will be measured by DHS' ultimate adoption of a sound project management methodology and standards, the successful implementation of the IBM RPM tool and the relative success of the pilots planned for Rancho Los Amigos and LAC+USC.

**Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:**

If this request is not approved, DHS will continue to struggle with the management of their department projects and implementation of an effective project management methodology and practices. As such, some department projects will continue to suffer cost and time overruns, many of which might otherwise have been successfully completed or terminated early into their life cycle had effective project management tools and standards been acquired and applied.

**Alternatives Considered:**

No other alternatives were considered. IBM is clearly the most qualified to assist with the implementation of their proprietary IBM RPM product and are readily available to provide these services under the existing IBM Master Services Agreement, thereby obviating a costly and often lengthy process to acquire capable consulting services.

**Project Risks:**

No significant risks have been identified. The work order is fixed-price, deliverable-based and will be closely managed by DHS and monitored by the CIO under the comprehensive requirements that exist under the IBM Master Services Agreement.

**Risk Mitigation Measures:**

None required.

**Financial Analysis:**

The cost of this engagement with IBM is fixed at \$595,479, bringing the current aggregate cost of this project to \$688,215. Funding for this phase of the project has been requested in the DHS Health Services Administration Fiscal Year 2007-2008 budget.

**CIO Concerns:**

None.

**CIO Recommendations:**

The CIO recommends approval of this request.

**CIO APPROVAL**

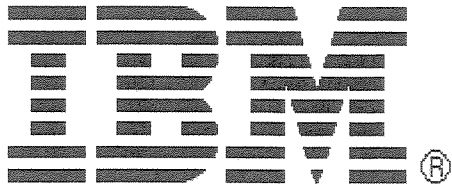
Date Received: September 10, 2007

Prepared by: Earl Bradley

Date: November 6, 2007

Approved: 

Date: 11/15/2007



Master Services Agreement #75869  
By and Between Los Angeles County and IBM Corporation  
for IBM Software Services (ITS)

Los Angeles County  
Department of Health Services

September 5, 2007

## DHS Enterprise Portfolio Management Project

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## ATTACHMENT 1 - WORK ORDER SUBMISSION FORM

### Work order Submission form

Department	LA County Department of Health Services
Department Project Manager	Graham W. Kneale
Date	September 5, 2007

Type of Services to be Performed (Select all that apply)

<input checked="" type="checkbox"/> Project/Program Management Services	<input type="checkbox"/> eBusiness Integration Services	<input type="checkbox"/> Network Services
<input type="checkbox"/> Strategic Change Services	<input type="checkbox"/> Enterprise Operations/ Systems Services	<input type="checkbox"/> Administration and Financial Mgmt. Services
<input checked="" type="checkbox"/> IBM Software Services	<input type="checkbox"/> Infrastructure Technical Services	<input type="checkbox"/> Other – Specify:

### WORK ORDER MANAGEMENT SUMMARY AND BUSINESS OBJECTIVE

This process started with a comprehensive IBM assessment of the current status of the Health Services Department's (HSA) portfolio and project management capability. DHS chose IBM for this activity because they have superior and in-depth experience with automated tools and methodologies for Enterprise Project Management Offices, and because they have other tools already installed in HSA-IT that will interface with the tool to be implemented in this project. This Statement of Services (SOS) will implement some of the recommendations from the assessment of the HSA Information Technology area. Included in this SOS is the implementation of these processes at two hospitals utilizing two pilot projects as an approach to introduce and incorporate PPM processes and methods. The remainder of the department implementation could be accomplished using other vendors with DHS staff managing the project utilizing standards generated during this portion of the project.

#### Enterprise Project Portfolio Issues

The following are the Findings from the PPM Assessment project which necessitated the undertaking of this statement of work.

1. Recognized need for standardization of processes

## DHS Enterprise Portfolio Management Project

2. Incomplete portfolio governance process
  - a) Incomplete processes and criteria for assessing, prioritizing and approving project requests
  - b) Incomplete alignment of portfolio to Enterprise Business Value and Strategy
3. Business Objectives Enterprise Project Portfolio
  - a) Project portfolio not well qualified
    - i) Increased project/request priority fluctuations
    - ii) Effort and budget maybe expended on non-critical projects
    - iii) Effort and budget may be expended on non-strategic/aligned projects
    - iv) Effort and budget lost if postponed projects are cancelled
    - v) Increased time to deliver critical projects (needs not satisfied in a timely manner)
  - b) Incomplete method to track and monitor the health of the enterprise project portfolio
    - i) Inability to make objective (based upon defined criteria and measures) portfolio decisions
  - c) No established standard tool for tracking, managing and reporting of project portfolios
    - i) Inability to provide real-time portfolio health status and reports
    - ii) Inability to provide real-time resource supply and demand utilization data
    - iii) Inability to easily provide project delivery capacity forecast
  - d) Incomplete PM processes & practices
    - i) Incomplete definition of project lifecycle, milestones and control points
  - e) Incomplete definition of project activities and work products
    - i) Consistency of project execution
    - ii) Limits usefulness of historical data for future project estimation and planning
    - iii) Reduces predictability of current and future project performance
    - iv) Limits reusability of project knowledge and deliverables
  - f) Project sizing predominantly based upon past project durations
    - i) Projects scheduled with excessive float
    - ii) Incomplete tracking of total work (effort) expended on projects
    - iii) Project resource activity time not consistently tracked
    - iv) Increased variance between planned vs. actual data
  - g) Delays time to realize project value
    - i) Inability to determine real project costs
    - ii) Inaccurate of future project estimates
    - iii) Determination of skills and effort to perform tasks
    - iv) Inability to accurately determine resource demand
    - v) Inability to develop required skills
  - h) No established standard tool for managing, tracking and measuring project and process performance
    - i) Inconsistencies in project planning and execution
    - ii) Limited ability to objectively measure project performance
    - iii) Limits ability to provide consistent detailed project status reports

### Enterprise Project Portfolio Resolution

In order to address the above findings, LA County DHS desires to implement Enterprise Project Management Office (EPMO) methods and processes to manage LADHS central IT and the IT departments of five (5) hospitals and clinics. The primary business objective is to establish an EPMO to manage the following:

1. Portfolio and Project Management - Reviewing project and portfolio status, reporting, metrics, resourcing and project health. One of the key objectives in Portfolio and Project Management is to eliminate duplicate efforts on projects in the hospitals
2. Methods and Standards - Defining project management methodology throughout the life cycle from generating a business case, capturing business requirements, project execution, deployment and post deployment evaluation

## DHS Enterprise Portfolio Management Project

### **WORK ORDER PROJECT DEFINITION**

The Work Order will include activities to develop and enhance the LA County DHS Enterprise Project Management Office. IBM will partner with DHS to establish the process elements (roles, activities, tasks, work products and workflows) comprising the Enterprise Project and Portfolio Management Methods and Processes. IBM will work with LA County DHS to establish the tool automation and integration requirements and define the appropriate tool usage models. IBM will also conduct training classes for LA County on Enterprise Project and Portfolio Management methods, processes and tools (Rational Portfolio Manager (RPM)), and Rational Method Composer (RMC).

### **WORK ORDER STATEMENT OF SERVICES (SOS)**

Provided in detail in Attachment 2 – Work Order Statement of Services.

### **WORK ORDER PAYMENT SCHEDULE**

The payment for the Deliverables of each Iteration as defined in Attachment 3, will generate a Payment Invoice that is directly sent to the Department Project Manager. The next Iteration can only begin after the acceptance and approval of the Work Order Acceptance Form, as defined in Attachment 4, by the Department Project Manager.

Provided in detail in Attachment 3 – Payment Schedule

Provided in detail in Attachment 4 – Work Order Acceptance Form

### **WORK ORDER PROJECT SCHEDULE**

This Work Order's first deliverable includes a mutually agreed upon Project Schedule for completing the tasks and Deliverables defined in the Work Order SOS. The Services to be provided between a start date to be determined by both parties and currently estimated to be September 10, 2007 ("Start Date"), and with an estimated end date of February 22, 2008 ("End Date"), or on other mutually agreed dates.

The timelines defined in this Project Schedule shall be subject to all the terms and conditions in this Agreement and the IBM Master Services Agreement (MSA) relating to completion of Services.

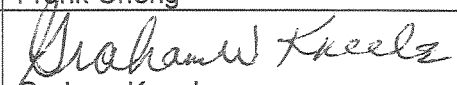

### **WORK ORDER WARRANTY PERIOD DEFINITION**

Pursuant to Exhibit C – Section 9 of Agreement # 75869, the warranty period shall be defined as ninety (90) days following final Acceptance.



# DHS Enterprise Portfolio Management Project

## Work Order Approval

Work Order Approval	Signature	Date
Work Order Number Assigned		
County's Project Manager	Frank Cheng	
Department Project Manager	 Graham Kneale	9/4/07
Contractor's Services Manager		9/12/07

### ATTACHMENTS:

1. Work Order Submission Form
2. Work Order Statement of Services
3. Work Order Payment Schedule
4. Work Order Acceptance Form
5. Work Order Issues List

### Noted & Approved:

  
 \_\_\_\_\_, 9/12/07  
 Patrick Anderson, CIO Date  
 DHS, Health Services Administration - IT

## ATTACHMENT 2 - WORK ORDER STATEMENT OF SERVICES (SOS)

### Statement of Services

This Statement of Services describes the work to be undertaken by IBM Rational Services under the IBM Master Services Agreement between IBM Inc., of Armonk, New York, and Los Angeles County, Los Angeles, California. This Statement of Services describes the project, which consists of the Deliverables to be provided by IBM, and the IBM responsibilities and related County responsibilities to be provided in accordance with the terms of this document.

In entering into this Work Order, County is not relying upon any representation made by or on behalf of IBM that is not specified in the Statement of Services including, without limitation, the actual or estimated completion date, amount of hours to provide any of the Services, charges to be paid, or the results of any of the Services to be provided under this Statement. This Statement of Services, its Appendices, and the IBM Master Services Agreement represent the entire agreement between the parties regarding the subject matter and replace any prior oral or written communications.

### Project Scope of Services

This SOS describes the scope of the project. In this project IBM will perform Consulting and Professional Services related to Rational Portfolio Manager (RPM) deployment including the following series of tasks:

1. Definition of Enterprise Project and Portfolio Management Methods and Processes
2. Automation of Enterprise Project and Portfolio Management Methods and Processes
3. Delivery of Enterprise Project and Portfolio Management Methods, Processes and Tools Training
4. Consulting and Mentoring for the new EPMO methods, processes and tools
5. Milestone Review

### Staffing Requirements

The following IBM staff will be assigned to perform the work defined in this Work Order:

Role Name	Role Description	MSA Skill Range
Solution Architect	Lead IBM Software Services Solution Architect with deep experience in Enterprise Project and Portfolio Management Methods, Processes and Tools deployment.	A
Project Manager	Senior IBM Project Manager with extensive experience leading teams of consultants focused on Enterprise Project and Portfolio Management Methods, Processes and Tools deployment	B
Technical Lead	Senior Software Services Specialist with deep experience in Enterprise Project and Portfolio Management Methods, Processes and Tools deployment	B
IT Specialist	Senior Software Services Specialist with deep experience in Enterprise Project and Portfolio Management Tools deployment (RPM, CQ, RMC)	B

### Key Assumptions

This Work Order and IBM's estimates are based on the following key assumptions. Deviations from the key assumptions that arise during the proposed project will be managed through the procedure described

## DHS Enterprise Portfolio Management Project

in the Agreement, and may result in adjustments to the Project Scope, Estimated Schedule, Charges and other terms. These adjustments may include charges on a fixed price or time and materials basis using the IBM MSA rates in effect at such time for any resulting additional work.

Any changes and/or adjustments to scope, schedule, charges and other terms will be addressed according to the Change Order Process (Exhibit C of the IBM-LACo Master Services Agreement) and if appropriate the Dispute Resolution Procedure outlined in the IBM Master Services Agreement (MSA) #75869.

### **Project Management Key Assumptions**

This SOS and IBM's estimates are based on the following key assumptions, and those listed in the activities in paragraph IBM's Approach below.

1. Work under this SOS will be performed at a Los Angeles County facility except for any project-related activity which IBM, in conjunction with the DHS Department Project Manager, determines would be best performed on IBM premises in order for IBM to complete its obligations and responsibilities under this SOS
2. IBM will provide the Services under this SOS during normal business hours, 8:00 AM to 6:00 PM Monday through Friday local time, except national holidays. If necessary, County will provide after-hours access to facilities for IBM personnel. Out-of-town personnel may work hours other than those defined as normal business hours to accommodate travel schedules
3. Deliverable Acceptance Definition: To keep the Project on schedule, deliverables submitted to the DHS Department Project Manager for approval shall be approved or disapproved within three (3) working days of delivery
  - If the DHS Department Project Manager fails to approve or disapprove the deliverable within the agreed upon review and approval time period, then the deliverable shall be deemed to have been conclusively approved and accepted and no further changes or revisions shall be made
  - If DHS Department Project Manager requests clarifications or revisions to the deliverable materials, the DHS Department Project Manager shall return the deliverable materials with a written summary of such recommended changes or revisions. If changes or revisions are required to conform the deliverable materials to IBM's obligations under this Work Order, the deliverable materials will be re-worked for one revision to incorporate such requested changes. After a joint review of the revised deliverable, the deliverable shall be deemed to have been conclusively approved and accepted and no further changes or revisions shall be made, provided that all DHS provided recommended changes and revisions have been incorporated and approved by DHS Department Project Manager. The joint review will be conducted and completed within three business days of receipt of the written summary
4. IBM will provide mentoring on EPMO methods, processes and tools to the DHS EPMO core team and two (2) additional project managers from the HSA-IT Organization
5. Pilot projects (2) will be utilized as the initial integration approach of PPM processes, methods and tools within DHS. The two projects selected as the pilots will be determined by the EPMO Core Team with input from the IBM project team. DHS EPMO core team and DHS Project Management Mentors will provide mentoring support to the selected pilot projects. Planning and scheduling of the full roll-out of PPM processes, methods and tools to DHS will be determined by DHS and the EPMO Core Team and are not an activity of this SOS

### **IBM's Approach**

IBM will use a risk mitigating, iterative, and incremental approach for implementing Enterprise Project and Portfolio Management Methods, Processes and Tools using the Master Service Agreement, #75869.

### **Tasks and Deliverables - IBM Responsibilities**

Under this Work Order, IBM will undertake the activities described below:

## DHS Enterprise Portfolio Management Project

### ACTIVITY 1: Project Management

#### Purpose

The purpose of this activity is to oversee IBM's responsibilities by providing technical direction and control of IBM project personnel and providing a framework for project planning, communications, reporting, procedural and contractual activity. IBM will designate an IBM Project Manager to be the Project Manager for this Work Order. This project manager will perform the following activities:

1. Provide planning and oversight
2. Provide tracking and reporting using RPM

#### Description

**Planning and Oversight** The IBM Project Manager will perform the following planning and oversight tasks:

1. Provide direction to the IBM project team. Coordinate and manage the activities of IBM project personnel
2. Coordinate the establishment of the project environment
3. Prepare and maintain the project plan to measure the performance of the Statement of Services
4. Conduct regularly scheduled project status meetings while providing updates that address all associated project related items to include risk, issues, schedule, and actions items
5. Administer project change control in accordance with the Agreement and in coordination with the Department Project Manager
6. Review the Work Order and the contractual responsibilities of both parties with the Department Project Manager
7. Maintain project communications and risk management through the Department Project Manager and prepare the internal project communications plan
8. Perform a Project Launch within HSA IT to define how the project is tracked and executed
9. Establish documentation and procedural standards for Deliverables. Oversee the deliverable management process
10. Recommend the hardware required for the performance of this Statement of Services

#### **Project Tracking and Reporting**

The IBM Project Manager will perform the following tracking and reporting tasks:

1. Review the IBM standard invoice format and billing procedure to be used on the project, and review invoices with the DHS Department Project Manager
2. Develop and submit Weekly Status Reports
3. Develop and maintain the baseline project plan
  - a. Review project tasks, schedules, and resources and make changes or additions, as appropriate
  - b. Manage project tasks, schedules, resources, make changes or additions as required, measure and evaluate progress against the current project plan in association with the County Department Project Manager
  - c. Measure and evaluate progress against the project plan with the DHS Department Project Manager
  - d. Track tasks, start/stop dates, task dependencies and responsibilities, and milestones for this Work Order in partnership with the DHS Department Project Manager
  - e. Work with the DHS Department Project Manager to address and resolve deviations from the project plan

## DHS Enterprise Portfolio Management Project

### Completion Criteria:

Each Project Management deliverable will be reviewed and approved by the DHS Department Project Manager. Since a deliverable may evolve over several iterations, approvals will occur for each iteration. When approved, the deliverable is considered complete for that iteration. This activity is completed when deliverables have been approved by the DHS Department Project Manager. Please refer to the Project Management Key Assumptions #3, for the Deliverables Acceptance Definition.

### Deliverables:

1. Baseline Project Plan
2. Iteration Plans – iteration plans (see Attachment 3, Work Order Payment Schedule below) for each of the three (3) iterations
3. Iteration Assessments – iteration assessments (see Attachment 3, Work Order Payment Schedule below) for each of the three (3) iterations in the SOS
4. Risk List – an ongoing work product that identifies risks to the project with associated mitigation actions
5. Issues List – an ongoing work product that identifies issues associated with the project that may affect scope, time or budget including an issue management strategy to address each issue
6. Review Records – records for each of the formal reviews conducted
7. Status Reports - Weekly reports delivered to the DHS Department Project Manager identifying completed deliverables, other accomplishments and issues during the current reporting period and objectives for the next reporting period. This document includes the deliverables approved by the Contractor Project Manager and the DHS Department Project Manager

### ACTIVITY 2: Definition of Enterprise Project and Portfolio Management Methods and Processes

In this activity, IBM will partner with DHS to establish the process elements (roles, activities, tasks, work products and workflows) comprising the Enterprise Project and Portfolio Management Methods and Processes. IBM and DHS will partner to define the roles and responsibilities suitable for DHS. The responsibilities of each will be defined in terms of tasks and work products that each role is responsible for. Tasks will be grouped into activities, and the activities sequenced into workflows for each process area. This activity comprises the following tasks.

### TASKS

Terms in parentheses following the task description denote the deliverables associated with that task.

1. Defining the specifications of the EPMO methods and processes (EPMO Definition, EPMO Development Case)
2. Defining the roles relevant to the EPMO methods and processes (EPMO Roles, Responsibilities and Interfaces, EPMO RMC Process Asset Library)
3. Defining the activities and tasks of the EPMO methods (EPMO Definition, EPMO RMC Process Asset Library)
4. Defining the work products associated with the EPMO tasks (EPMO Definition, EPMO RMC Process Asset Library)
5. Defining workflows (sequencing) of activities and tasks to prescribe efficient EPMO processes (EPMO Definition, EPMO RMC Process Asset Library)
6. Creation of instructions for performing the EPMO tasks (EPMO Operation manual, EPMO RMC Process Asset Library)
7. Creation of templates for each of the work products (EPMO RMC Process Asset Library)
8. Publish the EPMO Methods and Processes as a website (EPMO RMC Process Asset Library)

IBM will manage the definition of the methods and processes using IBM's Rational Method Composer (RMC) product to facilitate future enhancements and evolution of the methods and processes. The

## DHS Enterprise Portfolio Management Project

Enterprise Project and Portfolio Management methods and processes will be rendered as an easy to navigate, hyperlinked published web site.

### Completion Criteria

Each deliverable will be reviewed and approved by the DHS Department Project Manager. Since a deliverable may evolve over several iterations, approvals will occur for each iteration when appropriate. When approved, the deliverable is considered complete for that iteration. This activity is complete when deliverables have been approved by the DHS Department Project Manager. Please refer to the Project Management Key Assumptions #3, for the Deliverables Acceptance Definition.

### Deliverables

1. **Business Case** – a template for capturing the information necessary to allow project approval decision making
2. **Deployment Plan** – a template for documenting the set of tasks and resources required for installing, testing and preparing the system/application for transition to the end users
3. **EPMO Development Case** – a document describing the elements (roles, activities, work products) and workflows of the EPMO methods and processes to be implemented
4. **Iteration Assessment** – a template for documenting the results of an iteration
5. **Iteration Plan** – a template for documenting the detailed plan (tasks, dependencies, resources, etc.) for the iteration
6. **Project Charter** – a template for documenting the project charter
7. **Software Development Plan** – a template for documenting the policies, plans and information required to manage and execute the project
8. **Status Assessment** – a template for documenting the (periodic) status of the project
9. **EPMO Charter** – a work product that formally recognizes the existence of the Project Management Office and includes the list of prioritized business needs, goals of the EPMO, product or service offering description and EPMO stakeholders and provides a clear understanding and agreement as to what the EPMO is intended to accomplish
10. **EPMO Communication Plan** – a work product identifying types of communication, information to be communicated, and frequency of communication as part of standard operating procedure for the EPMO
11. **EPMO Roadmap** – a work product providing guidance and input as to future direction and functions of the EPMO including; resource requirements, budget requirements, and method and process growth and refinement
12. **EPMO Definition** – a work product that specifically defines the type, basic functions, scope, authority, methods and processes with which the EPMO will operate
13. **EPMO Operation Manual** – a work product which is a compilation of all other EPMO work products which will be used as reference and guidance during EPMO daily operations
14. **EPMO Roles, Responsibilities and Interfaces** – a work product which defines the roles and responsibilities for the EPMO and the resources assigned to the EPMO. In addition, a list or table will be created identifying all internal and external interfaces with which the EPMO will interact and information is exchanged as well as a recommendation as to where the EPMO will report within the organization
15. **EPMO Transition Plan** – a work product which identifies the steps and tasks associated with the transition to start-up and full operations of the EPMO including near term goals and commitments,
16. **EPMO RMC Process Asset Library** – a library of the developed assets implementing the elements of the EPMO methods and processes

## DHS Enterprise Portfolio Management Project

### **ACTIVITY 3: Automation of Enterprise Project and Portfolio Management Methods and Processes**

In this activity, IBM will work with DHS to establish the tool automation and integration requirements, and define the appropriate tool usage models to support the Enterprise Project and Portfolio Management methods and processes. IBM will then configure the tools in accordance with the established usage models to support the methods and processes. This activity comprises the following tasks.

#### **TASKS**

Terms in parentheses in the task description denote the deliverables associated with that task.

1. Defining the RPM usage requirements (RPM Usage Model)
2. Documenting the high-level design (RPM Usage Model) for configuring RPM to support the usage requirements
3. Configuring RPM in accordance with the requirements and high-level design (RPM Usage Model)
4. Documenting the RPM configuration (RPM Configuration Report)

#### **Completion Criteria**

Each deliverable will be reviewed and approved by the DHS Department Project Manager. Since a deliverable may evolve over several iterations, approvals will occur for each iteration. When approved, the deliverable is considered complete for that iteration. This activity is complete when deliverables have been approved by the DHS Department Project Manager. Please refer to the Project Management Key Assumptions #3, for the Deliverables Acceptance Definition.

#### **Deliverables**

1. RPM Usage Model – a document capturing the DHS RPM Enterprise Project and Portfolio Management automation requirements and high-level solution design
2. RPM Configuration Report – a document capturing the RPM configuration to support the RPM Usage Model

### **ACTIVITY 4: Delivery of Enterprise Project and Portfolio Management Methods, Processes and Tools Training**

In this activity, IBM will create training material for Enterprise Project and Portfolio Management methods, processes and tools. IBM will deliver up to 4 sessions of instructor-led classroom training for up to 12 DHS participants for EPMO methods, processes and tools. IBM will supplement instructor led training by providing on-the-job mentoring and training (refer to Key Assumptions above) to minimize the production of instruction material. This activity comprises the following tasks.

#### **TASKS**

Terms in parentheses in the task description denote the deliverables associated with that task.

1. Develop EPMO Methods and Process training
2. Develop EPMO tool (RPM) training
3. Deliver instructor-led EPMO Methods, Process and tool training

#### **Deliverables**

1. **EPMO Methods and Process Training Material** – instructor-led training material orienting the organization and individuals to the EPMO including methods and processes, objectives and success criteria and any specific tasks required for EPMO operations
2. **EPMO Role-Based Tool (RPM) Training Material** – instructor-led training material orienting the organization and individuals to the EPMO Role Based Tools sets to include methods and processes, objectives and success criteria and any specific tasks required for EPMO operations

## DHS Enterprise Portfolio Management Project

### Completion Criteria

Each deliverable will be reviewed and approved by the DHS Department Project Manager. Since a deliverable may evolve over several iterations, approvals will occur for each iteration. When approved, the deliverable is considered complete for that iteration. Please refer to the Project Management Key Assumptions #3, for the Deliverables Acceptance Definition.

### ACTIVITY 5: Milestone Review

In this activity, DHS and IBM will jointly review the execution of the tasks of this SOS and capture lessons learned and action items for subsequent activities.

### Completion Criteria

Each deliverable will be reviewed and approved by the DHS Department Project Manager. Since a deliverable may evolve over several iterations, approvals will occur for each iteration. When approved, the deliverable is considered complete for that iteration. This activity is complete when deliverables have been approved by the DHS Department Project Manager. Please refer to the Project Management Key Assumptions #3, for the Deliverables Acceptance Definition.

### Deliverable

Milestone Review Record – a review record for the end of project review.

### County Responsibilities

The completion of the effort depends on the full commitment and participation of County management and personnel. The responsibilities listed in this section are in addition to those responsibilities specified in the Agreement, and are to be provided at no charge to IBM. IBM's performance is predicated upon the following responsibilities being fulfilled by County, as scheduled in the project plan. Delays in performance of these responsibilities may result in additional cost and/or delay of the completion of the project, and will be handled in accordance with the Project Change Control Procedure in the LA County / IBM Master Services Agreement.

### Project Management County Responsibilities

#### DHS Department Project Manager

Prior to the start of this SOS, the County will designate a person (the "DHS Department Project Manager") who will be the focal point for IBM communications relative to this project and will have the authority to act on behalf of DHS in all matters regarding this project. DHS's Department Project Manager's responsibilities include:

1. Manage County and/or DHS personnel and resources, scheduling and responsibilities for this project
2. Serve as the interface between IBM and all County departments participating in the project
3. Administer the Project Change Control Procedure with the IBM Project Manager
4. Participate in project status meetings
5. Obtain and provide information, data, and decisions within three (3) working days of IBM request unless County and IBM agree in writing to a different response time
6. Resolve deviations from the estimated schedule, which may be caused by the County and or DHS, and submit the necessary Change Orders when any deviations adversely affect the estimated schedule
7. Help resolve project issues and escalate issues within County's organization, as necessary
8. Review with the IBM Project Manager any of County's invoice or billing requirements. Such requirements that deviate from IBM standard invoice format or billing procedures may have an effect on price, and will be managed through the Project Change Control Procedure
9. Create, with IBM's assistance, the project plan and schedule for the performance of this SOS which will include the product training plan, activities, tasks, assignments, milestones, and estimates



## DHS Enterprise Portfolio Management Project

### **Detailed County Responsibilities**

#### **TASK**

Ensure that County's staff is available to provide such assistance as IBM reasonably requires and that IBM is given reasonable access to County's senior management, as well as any members of its staff to enable IBM to provide the Services. County will ensure that its staff has the appropriate skills and experience. If any of County's staff fails to perform as required, County will make suitable additional or alternative staff available.

1. Provide all information and Deliverables reasonably required to enable IBM to provide the Services. County agrees that all information disclosed or to be disclosed to IBM is and will be true, accurate and not misleading in any material respect. IBM will not be liable for any loss, damage or deficiencies in the Services, arising from inaccurate, incomplete, or otherwise defective information and Deliverables supplied by County
2. Make final selection of solution and technical architectures
3. Supply all prerequisite hardware and software to be used during the performance of this SOS. Hardware and operating system software includes those computers necessary to access our servers and portals for this SOS
4. Schedule participants into training courses to maximize the usage of the project deliverables.
5. The County will provide a training facility that includes workspace for 12 attendees, an LCD projector for use by the instructor, electricity for each workstation, and a whiteboard with markers
6. County is solely responsible for the actual content of any data file, selection and implementation of controls on its access and use, and security of the stored data

#### **Deliverables**

IBM will provide County with one electronic copy of the Deliverables as listed in the Payment Schedule

### ATTACHMENT 3 - WORK ORDER PAYMENT SCHEDULE

The Payment Schedule, labeled as Attachment 3, shall be prepared and submitted along with the Work Order Submission Form (Attachment 1) as part of each Work Order. Services provided by Contractor under this Agreement shall be paid as described below:

IBM Services will be provided on a fixed fee for deliverable basis plus out-of-pocket expenses. Specific deliverables, and anticipated delivery dates, are defined here. The deliverable dates are based on receipt of a signed Statement of Services (authorization to proceed) after which the project will start upon a mutually agreeable business day. Scheduling of specific tasks such as Training and Product Installation are subject to coordination of all required resources and attendees which may require adjustments to the project plan.

Deliverable Definition	Projected Date	Fee/Payment
<b>Iteration 1:</b> <b>Project Management</b> Business Case Deployment Plan Iteration Assessment Iteration Plan Project Management Iteration 1 Project Charter Software Development Plan Iteration 1 Status Assessment (Status Report) Iteration 1 Milestone Review Record Iteration 1 <b>Project Management Office</b> EPMO Charter EPMO Communication Plan EPMO Definition EPMO Roles, Responsibilities, Interfaces <b>Environment</b> EPMO Development Case RPM Usage Model Iteration 1 RPM Usage Model Configuration Iteration 1 RMC Process Asset Library	Oct 20, 07	\$229,516.00
<b>Iteration 2:</b> <b>Project Management</b> Iteration Assessment Iteration 2 Iteration Plan Iteration 2	Dec 10, 07	\$144,897.00

## DHS Enterprise Portfolio Management Project

Project Management Iteration 2 Software Development Plan Iteration 2 Milestone Review Record Iteration 2 <b>Environment</b> RPM Usage Model Iteration 2 RPM Usage Model Configuration Iteration 2 PMO Training Material PMO & PPM Training PMO & PPM Mentoring RMC Process Asset Library		
<b>Iteration 3:</b> <b>Project Management</b> Iteration Assessment Iteration 3 Iteration Plan Iteration 3 Project Management Iteration 3 Milestone Review Record Iteration 3 <b>Project Management Office</b> EPMO Transition Plan EPMO Roadmap EPMO Operations Manual <b>Environment</b> RPM Usage Model Configuration Iteration 3 RPM Role-Based Training Material PMO Training Material PMO & PPM Training PMO & PPM Mentoring	Jan 21, 08	\$167,066.00
Total Statement of Services Deliverables Fees		\$541,479.00
Estimated Out-of-Pocket Expenses	Not to Exceed:	\$ 54,000.00
Grand Total Services Costs		\$595,479.00

**ATTACHMENT 4 - WORK ORDER ACCEPTANCE FORM – Iteration n**

Work Order Number	
Department	
DHS Project Manager	
Contractor's Project Manager	
Date	

## ATTACHMENT 5 - WORK ORDER ISSUES LIST

Work Order Number	
Department	
DHS Project Manager	
Contractor's Project Manager	

DATE	ISSUE	Department Initial	Contractor Initial